

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0197-03
Bill No.: HCS for SB 51
Subject: Transportation; Motor Vehicles; Roads and Highways
Type: Original
Date: April 17, 2013

Bill Summary: This proposal changes the laws regarding the regulation of motor vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	Up to (\$163,314)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	Up to (\$163,314)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a previous version, officials from the **Joint Committee on Administrative Rules** stated this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** assumed many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500.

The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Office of the State Courts Administrator** assume the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **Department of Public Safety - Missouri Highway Patrol, Department of Public Safety - Director's Office, Office of Prosecution Services, Department of Agriculture, and Office of the State Public Defender** each assumed the proposal would have no fiscal impact on their respective organizations.

Officials from the **Department of Revenue (DOR)** state the newly proposed language in this section changes the exemption provisions related to vehicles transporting hazardous materials which are not covered farm vehicles and vehicles which are covered farm vehicles transporting hazardous materials that require a placard as required by federal regulation.

The proposed changes will require modification to the Missouri Commercial Driver License Manual (web and printed version), modification to web site information related to commercial driver licensing exemptions if applicable and drafting and filing of changes to State Code of Regulations related to farm related services.

ASSUMPTION (continued)

FY 14

Update Web Page - Administrative Analyst III	10 hrs @ \$22.00 = \$ 220
Update Forms and Manuals - Management Analysis Sp I	<u>40 hrs @ \$20.00 = \$ 800</u>
	Total = \$1,020

FY 14

Management Analyst Spec. II -	80 hrs @ \$23.00 per hr = \$1,840
Revenue Band Manager -	80 hrs @ \$30.00 per hr = <u>\$2,400</u>
	Total = \$4,240

In summary, DOR assumes a cost of \$5,260 (\$1,020 + \$4,240) in FY 2014 to provide for the implementation of the changes in this proposal.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

\$302.700, 302.720, 302.735 & 302.740

The proposed changes in these sections will require the **Department of Revenue (DOR)** to:

- Develop requirements and complete end user testing to modify the Missouri Electronic Driver License (MEDL) system and supporting systems to implement changes which include mandated Commercial Learner's Permit (CLP) term, standardization of restrictions and endorsements for CLP's, modifications to CDL and CLP document formats;
- Work with the new license contractor to incorporate required changes to the printed license or permit documents;
- Modify current Code of State Regulations related to third party testing and CLP issuance;
- Develop system changes and procedures to implement required secondary review of all CDL and CLP transactions and supporting documentation.

ASSUMPTION (continued)

Testing CLP Issuance and Restriction Changes

Administrative Analyst -	660 hrs @ \$16 per hr =	\$10,560
Management Analyst Specialist II -	660 hrs @ \$23 per hr =	\$15,180
Revenue Band Manager II -	132 hours @ \$30 per hour=	<u>\$3,960</u>
Total =		\$29,700

Personnel Services Bureau

Update web page - Administrative Analyst III - 40 hrs @ \$22 =	\$880
Update forms - Management Analysis Spec I - 80 hrs @ \$20 =	\$1,600
Update procedures - Management Analysis Spec I - 120 hrs @ \$20 =	\$2,400
Total =	\$4,880

MorphoTrust costs for modification to the CLP document = **\$28,000**.

OA-ITSD staff will need to make programming changes to the Missouri Driver License System, Missouri Electronic Driver License System - Central Issuance and Central Driver Information System.

The level of effort is calculated at 3324 FTE hours @ \$27.05 per hour = **\$89,914**.

In summary, DOR assumes a cost of \$152,494 (\$29,700 + \$4,880 + \$28,000 + \$89,914) in FY 2014 to provide for the implementation of the changes in this proposal in this section.

§302.755

The proposed changes in this section will require the **Department of Revenue (DOR)** to:

- Include CDL permit holders in the disqualification routine;
- 'Stack' most CDL disqualifications;
- Include texting and hand-held mobile telephone convictions (commercial motor vehicles only) in the serious disqualification routine;
- Updates to Procedures, Correspondence letters and Department's website;
- Requires training of staff;
- Requires a review of administrative rules for possible revisions.

OA-ITSD staff will need to make programming changes to the Missouri Driver License (MODL) system.

KC:LR:OD

ASSUMPTION (continued)

The level of effort is calculated at 400 hours @ \$27.05 per hour = \$10,820.

In summary, DOR assumes a total cost of \$163,314 (\$152,494 + \$10,820) in FY 2014 to provide for the implementation of the changes in this proposal.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb some of the personal service cost related to this proposal. Oversight assumes some of DOR's anticipated work hours could be performed during the normal work day and not create an additional expense to their budget; therefore, Oversight will range the cost to DOR as up to \$163,314.

In response to a similar proposal from this year (HCS for HB 771), officials from the **Department of Transportation** anticipated no fiscal impact if this legislation were to pass. If it does not pass, DHT is subject to a withhold of federal funds amounting \$30 million the first year and \$60 million each year there after.

Oversight assumes Missouri will be in compliance with the mandated provisions and will assign no cost for sanctions.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Costs - DOR</u>			
Administrative changes to prepare for updates in the proposal	<u>Up to</u> <u>(\$163,314)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>Up to</u> <u>(\$163,314)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal modifies various provision relating to the regulation of motor vehicles.

On July 6, 2012, Moving Ahead For Progress in the 21st Century Act (MAP-21) was enacted into law. MAP-21 includes provisions that exempt commercial motor vehicles operating as "covered farm vehicles" from certain Federal Motor Carrier Safety Regulations (FMCSRs). The covered farm vehicle and the person operating the CFV are exempt by MAP-21 from several federal motor carrier safety laws and regulations applicable to for-hire motor carriers, including, but not limited to, possession of a valid commercial drivers' license, submitting to drug tests, possession of valid medical certification and others.

Under MAP-21, hours of service regulations (49 CFR § 395) do not apply when operating a commercial motor vehicle within the scope of the covered farm vehicle exemptions. Under current Missouri state law, the federal regulations relating to hours of service do not apply to drivers transporting agricultural commodities or farm supplies if certain conditions are met. Since Missouri's exemption regarding hours of service is inconsistent with the federal law, this act repeals the provision to be consistent with MAP-21.

Under current Missouri law, certain federal regulations regarding the equipment and operation of motor vehicles do not apply to commercial motor vehicles that transport property in intrastate commerce if such vehicles have a gross vehicle weight rating or gross combination weight rating of 26,000 pounds or less. Under this proposal, this exception shall not apply to covered farm vehicles required to be placarded for hazardous materials under federal law (Section 307.400).

This proposal modifies the process for obtaining free license plate tabs. Under current law, any person replacing a stolen license plate tab may receive at no cost up to two sets of two license plate tabs per year when the application for the replacement tab is accompanied with a police report. This proposal replaces the police report with a notarized affidavit so that a person may receive up to two sets of license plate tabs per year when the application for the replacement tab is accompanied by a notarized affidavit verifying that the tab or tabs were stolen (Section 301.301). This provision is also contained in SB 217 (2013).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Department of Revenue
Department of Public Safety
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of the State Courts Administrator
Office of the State Public Defender
Office of Prosecution Services
Department of Transportation



Ross Strobe
Acting Director
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